

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7934

BILL NUMBER: SB 452

NOTE PREPARED: Jan 11, 2005

BILL AMENDED:

SUBJECT: Self-Liquidating Projects at Port Commission.

FIRST AUTHOR: Sen. Kenley

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill expands the definition of self-liquidating project for purposes of the Port Commission statute to include projects: (1) for which payments under leases from sources other than rentals are available for debt service and maintenance expenses; or (2) that are structured in such a manner that there is no recourse against the state or the Port Commission. (Under current law, self-liquidating projects are exempt from certain provisions concerning interest rates on bonds, bond sale procedures, and contracting procedures.) It makes conforming changes.

Effective Date: July 1, 2005.

Explanation of State Expenditures: This proposal will facilitate the payoff of bonds issued. It eliminates the restriction that the final payment be a rental payment from a lessee. A secured creditor or an insurance carrier now will be able to pay off the bonds. The insurance that would be used is called "residual value insurance .

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Port Commission.

Local Agencies Affected:

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